

SENATE, No. 848

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 26, 1996

By Senators CONNORS and BUBBA

1 AN ACT concerning pensions payable to certain retirants from the
2 Consolidated Police and Firemen's Pension Fund, the Police and
3 Firemen's Retirement System of New Jersey, and the Public
4 Employees' Retirement System of New Jersey, amending
5 R.S.43:16-1 and P.L.1944, c.255 and supplementing P.L.1955,
6 c.257 (C.43:15A-97 et seq.) and P.L.1958, c.143 (C.43:3B-1 et
7 seq.).

8
9 **BE IT ENACTED** by the Senate and General Assembly of the State
10 of New Jersey:

11
12 1. R.S.43:16-1 is amended to read as follows:
13 43:16-1. a. In all municipalities any active member of a police
14 department or of a paid or part-paid fire department or of a county
15 police department including active members of the paid or part-paid
16 fire department of any fire district located in any township which has
17 adopted the provisions of an act entitled "An act providing for the
18 retirement of policemen and firemen of the police and fire departments
19 in municipalities of this State, including all police officers having
20 supervision or regulation of traffic upon county roads, and providing
21 a pension for such retired policemen and firemen and members of the
22 police and fire departments, and the widows, children and sole
23 dependent parents of deceased members of said department," approved
24 April 15, 1920 (P.L.1920, c.160) or of chapter 16 of Title 43 of the
25 Revised Statutes, who shall have served honorably in the police or fire
26 department for a period of 25 years, or any employee member of any
27 such department who shall have served honorably in such department
28 for a period of 25 years and who has reached the age of 60 years shall,
29 on his own application, be retired on a service retirement pension
30 equal to 60% of his final compensation. Any active member of the
31 police or paid or part-paid fire department including active members
32 of the paid or part-paid fire department of any fire district as aforesaid
33 who shall have served honorably for a period of 25 years and reached
34 the age of 65 years and any employee member of any such department

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 who shall have served honorably in such department for a period of 25
2 years and reached the age of 70 years shall be retired on a service
3 retirement pension equal to 60% of his final compensation.

4 The amount of the service retirement pension of any member of
5 such police or paid or part-paid fire department, who has served for
6 more than 25 years and who retires after [the effective date of this
7 1984 amendatory act] August 8, 1984, shall be increased by an amount
8 equal to 1% of his final compensation for each year of service in
9 excess of 25 years but not more than 30 years and 1% of his final
10 compensation for each year of service in excess of 30 years rendered
11 prior to his reaching age 65.

12 b. The service retirement pension payable under subsection a. of
13 this section to any person who served honorably in a police or fire
14 department for a period of 25 years and retired from the service of the
15 department prior to the effective date of P.L. , c. (C.)
16 (now pending before the Legislature as this bill) shall, commencing on
17 the first day of the month following that effective date, be increased by
18 an amount equal to 5% of the person's final compensation or by such
19 lesser amount as would, if added to the pension payable at the time of
20 retirement, provide a total service retirement pension of 70% of final
21 compensation. The provisions of this subsection shall not be
22 construed either to require a reduction in the pension payable to any
23 retirant or to provide for the payment of any adjustment in such a
24 benefit with respect to any period of time prior to the first day of the
25 month following that effective date.

26 (cf: P.L.1984, c.127, s.1)

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28 2. Section 16 of P.L.1964, c.241 (C.43:16A-11.1) is amended to
29 read as follows:

30 16. a. Should a member resign after having established 25 years of
31 creditable service, he may elect "special retirement," provided, that
32 such election is communicated by such member to the retirement
33 system by filing a written application, duly attested, stating at what
34 time subsequent to the execution and filing thereof he desires to be
35 retired. He shall receive, in lieu of the payment provided in section 11,
36 a retirement allowance which shall consist of:

37 (1) An annuity which shall be the actuarial equivalent of his
38 aggregate contributions, and

39 (2) A pension in the amount which, when added to the member's
40 annuity, will provide a total retirement allowance of 65% of his final
41 compensation, plus 1% of his final compensation multiplied by the
42 number of years of creditable service over 25 but not over 30;
43 provided, however, that any member who has earned, prior to July 1,
44 1979, more than 30 years of creditable service, shall receive an
45 additional 1% of his final compensation for each year of his creditable
46 service over 30.

1 The board of trustees shall retire him at the time specified or at
2 such other time within one month after the date so specified as the
3 board finds advisable.

4 Upon the receipt of proper proofs of the death of such a retired
5 member, there shall be paid to his beneficiary an amount equal to
6 one-half of the final compensation received by the member.

7 b. The "special retirement" allowance payable under subsection a.
8 of this section to any person who retired under the retirement system
9 prior to December 20, 1989 shall, commencing on the first day of the
10 month following the effective date of P.L. , c. (C.) (now
11 pending before the Legislature as this bill), be increased by an amount
12 equal to 5% of the person's final compensation or by such lesser
13 amount as would, if added to the allowance payable at the time of
14 retirement, provide a total retirement allowance of 70% of final
15 compensation, except that in the case of such a retirant who retired on
16 or after July 1, 1979 and had earned prior to that date more than 30
17 years of creditable service, the amount of the increase shall be equal
18 to 5% of the person's final compensation irrespective of the total
19 retirement allowance which such an increase would provide. The
20 provisions of this subsection shall not be construed either to require a
21 reduction in the retirement allowance payable to any retirant or to
22 provide for the payment of any adjustment in such an allowance with
23 respect to any period of time prior to the first day of the month
24 following that effective date.

25 (cf: P.L.1989, c.204, s.4)

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27 3. (New section) a. Should a law enforcement officer member
28 resign after having established 25 years of creditable service, the
29 member shall receive, in addition to the service retirement allowance
30 provided in section 4 of P.L.1955, c.257 (C.43:15A-100), a
31 supplementary "special" retirement allowance equal to 5% of the
32 member's final compensation or such lesser amount as will, if added to
33 the member's service retirement allowance, provide a total retirement
34 allowance of 70% of the member's final compensation.

35 b. The supplementary "special" retirement allowance payable under
36 subsection a. of this section shall, commencing on the first day of the
37 month following the effective date of P.L. , c. (C.) (now
38 pending before the Legislature as this bill), be payable to any former
39 member of the retirement system who, prior to that effective date,
40 retired as a law enforcement officer member of the retirement system
41 after having established 25 years of creditable service. The provisions
42 of this subsection shall not be construed either to require a reduction
43 in the retirement allowance payable to any retirant or to provide for
44 the payment of any adjustment in such an allowance with respect to
45 any period of time prior to the first day of the month following that
46 effective date.

1 4. (New section) The provisions of section 7 of P.L.1969, c.169
2 (C.43:3B-8) shall not apply to R.S.43:16-1 or section 16 of P.L.1964,
3 c.241 (C.43:16A-11.1) as amended by P.L. , c. (C.) (now
4 pending before the Legislature as this bill), or to section 3 of that
5 P.L. , c. (C.), and the annual cost of living adjustment
6 received by retirants and beneficiaries under P.L.1958, c.143
7 (C.43:3B-1 et seq.) shall be calculated as of the date of the benefit
8 year of the member of the appropriate pension fund or retirement
9 system.

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11 5. This act shall take effect on the 90th day following enactment.
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14 STATEMENT

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16 This bill provides for an increase in the pension allowance payable
17 to certain previously retired members of the Consolidated Police and
18 Firemen's Pension Fund (CPFPPF) and the Police and Firemen's
19 Retirement System (PFRS), and to certain past and prospective law
20 enforcement officer (LEO) retirants under the Public Employees'
21 Retirement System (PERS). To be eligible for the increase, a retirant
22 from any of the specified retirement systems must have rendered at
23 least 25 years of creditable service under the system. The amount of
24 the increase would be 5% of the retirant's final compensation, or such
25 lesser amount as would provide the retirant with a total pension of
26 70% of final compensation.

27 This legislation is intended to establish pension benefit parity
28 between the individuals to whom it applies and their fellow public
29 safety officers who retired from the PFRS after a 5% increase in the
30 "special retirement" allowance under that system, enacted into law as
31 P.L.1989, c.204, became effective on December 20, 1989.
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36 Increases pensions of certain retired public safety officer members of
37 PERS, CPFPPF and PFRS.